VICTOR G. CARRILLO, *CHAIRMAN* ELIZABETH A. JONES, *COMMISSIONER* MICHAEL L. WILLIAMS, *COMMISSIONER*



RAILROAD COMMISSION OF TEXAS

January 5, 2010

Mr. Josh Leftwich Environmental Manager Uranium Energy Corporation (UEC) 400 Mann Street, Suite 900 Corpus Christi, Texas 78401

RE: Weesatche Project, Goliad County

Uranium Exploration Permit No. 123C

Inspection Report

Dear Mr. Leftwich:

Enclosed is a copy of the report for the inspection completed on December 28, 2009, at UEC's Weesatche Project, Goliad County.

If you have any questions, please contact me at (512) 305-8813.

Sincerely,

Mark Schlimgen, Manager

Inspection and Enforcement

MS/sdj Enclosure



RAILROAD COMMISSION OF TEXAS SURFACE MINING AND RECLAMATION DIVISION

URANIUM EXPLORATION INSPECTION REPORT

Project Name:	Weesatche			Pe	rmit Number: 1	23C	
Permittee:	UEC			County:	Goliad		
Industry Repre	esentative(s) Present:	James Gale				1	
Inspector:	Steve Meadows			Date of Inspection	on: December 2	28, 2009	
*		,				*	
I. Field Cond	ditions and Data Colle	ction				* ************************************	
Samples Colle	ected: No 🛛 Yes		Sample Type:	Water	Soil 🗌	Vegetation	
Average Temperature	Soil Condition	Dry	Date Last Rainfall	N/A	Wind Direction/ Velocity (Est.)	North at 15	
Photographs A	ttached: No ☐ Yes ⊠	(Complete S	Section IV)				
	9. 3						
II. Enforcement Action Taken							
Notice of Viola	ation Issued:	No 🖂	Yes 🗌	NOV No.			
Cessation Orde	er Issued:	No 🖂	Yes 🗌	CO No.			
						ř	
	How Mesdows			lach She	lugen	1/4/10	
Inspector Signature		Date	Revi	ewing Supervisor	Signature	/ Date	

The Railroad Commission of Texas complies with Federal and State laws applicable to race, religion, national origin, sex, and disability. Information is available upon request by calling (512) 463-7288 or 1-800-735-2989 if special assistance is required.

Project Name:	Weesatche			
Permit Number:	123C			
Inspection Date:	December 28, 2009			

III. Comments - Inspection Narrative

- Document the area of the permit inspected
- · Discuss observations made during the inspection
- · Document the results of any field tests taken
- Provide a summary of any discussions with industry representatives, along with results, and expectations from those discussions
- · Describe any enforcement action taken during the inspection, along with facts or evidence supporting the enforcement action

No exploration activity is currently underway at UEC Permit No. 123C. A series of 7 exploration boreholes located on the Arneck 33101 lease was the focus of this inspection. These exploration-drilling locations were previously individually inspected for compliance with the regulations and permit requirements on 9-17-08 and the PVC pipe marking was removed after their inspection. No site restoration problems were noted at the 7 locations inspected. Other than some variation in vegetation and a few traces of cement at some locations, little evidence of exploration activity remains visible as documented in Photos 1-4. In-active logging and cementing equipment was observed parked at the UEC field facility as seen in Photo 5.

Project Name: Permit Number: Weesatche

123C

Inspection Date: December 28, 2009

VI. Photographs



Photo 1: Site restoration at 33101-5 drilling location.



Photo 2: Drilling locations of 3 exploration boreholes on 33101 lease.

Project Name: Permit Number: Weesatche

123C

Inspection Date:

December 28, 2009

VI. Photographs



Photo 3: Lease 33101-4 exploration borehole location.



Project Name: Permit Number: Inspection Date: Weesatche

123C

December 28, 2009

VI. Photographs



Photo 5: In-active equipment at UEC field facility.